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March 21, 1992

VIA FEDERAL EXPRESS

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RCOM SECTION

Mr. Ruben B. McCullers  
Environmental Scientist  
RCRA Compliance  
United States Environmental  
Protection Agency, EPA Region VII  
726 Minnesota Avenue  
Kansas City, Kansas 66101

Re: In the Matter of The Knapheide Manufacturing Co.,  
West Quincy, Missouri, EPA Docket No. VII-92-H-0008

Dear Mr. McCullers:

Pursuant to the Complaint, Compliance Order and Notice of Opportunity for Hearing (the "Complaint") issued in the above-referenced proceeding, and an extension granted as to certain Compliance Order items as confirmed in my letter to Mr. Robert W. Richards dated March 5, 1992, we herewith submit on behalf of The Knapheide Mfg. Co. ("Knapheide") the following items:

1. An updated Contingency Plan that complies with 40 C.F.R. §262.34(a)(4) (with reference to 40 C.F.R. §265.54), pursuant to Paragraph 47(1) of the Complaint.

2. Training documentation as required by 40 C.F.R. §262.34(a)(2), with reference to 40 C.F.R. §265.16(d)(4), pursuant to Paragraph 57(m) of the Complaint. Specifically, enclosed are relevant parts of Knapheide's "Hazardous Waste: Handling and Disposal" procedure indicating the job title, duties and names of current employees with respect to each position related to hazardous waste management, and training documentation for employees holding these positions as submitted to the Missouri Department of Natural Resources in response to the March 15, 1991 inspection of Knapheide's facilities. In addition, please note that Knapheide is in the process of implementing a revised RCRA and Hazard Communication training program. Copies of the revised training program outline are also enclosed. Training under the revised program is scheduled for April of this year, and



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immediately thereafter, Knapheide will provide EPA and MDNR with documentation of 1992 personnel training, including, as necessary, an update of any information enclosed herewith.

3. A plan for correction of hazardous waste manifesting violations alleged in the Complaint, including how Knapheide plans to comply with State of Missouri hazardous waste manifesting requirements, and a copy of the hazardous waste manifest for the hazardous waste shipment subsequent to issuance of the Complaint, all pursuant to Paragraph 57(n) of the Complaint. Please note that the Complaint directs Knapheide to submit manifests for the next two shipments. Knapheide has made only one hazardous waste shipment subsequent to issuance of the Complaint, and will provide a copy of the manifest for a second shipment of hazardous waste when such shipment occurs.

As we discussed on Thursday, March 19, 1992, Knapheide has been progressing on obtaining financial assurance for closure and liability coverage pursuant to Paragraphs 57(e) and (g) of the Complaint. Specifically, as to financial assurance for closure, Knapheide has contacted Mercantile Bank in Quincy, Illinois and has determined the requirements to set up a trust fund in accordance with 40 C.F.R. §265.143(a). Knapheide is currently in the process of compiling the necessary information to comply with such requirements. Upon completion, Knapheide will submit the information, and initial review by the Bank is estimated to take two to three weeks thereafter. Knapheide will then compile any additional information requested by the Bank after its initial review. The length of time for such compilation will depend upon the nature and extent of the requested information.

As to liability coverage, Knapheide is currently pursuing two alternate routes to satisfy the requirement:

(a) Knapheide has inquired about the possibility of obtaining an irrevocable standby letter of credit in accordance with 40 C.F.R. §265.147(h) from Mercantile Bank in Quincy, Illinois. Because of the large amount required for the credit line, and because of the amount of credit which Mercantile is currently carrying for Knapheide, Mercantile has indicated that it may be necessary to involve one, and possibly two, other lenders. The time required to identify the other potential lenders is uncertain at this point. When the other potential lenders are identified, Knapheide will be required to comply with each individual lender's requirements as to submission of necessary financial

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information. The time frame required for satisfaction of these as yet unknown requirements is uncertain at this time. Any requested information will then go through an internal review process by the appropriate loan committees within the respective banks.

(b) To provide flexibility, Knapheide is also investigating the cost and availability of liability coverage with two insurance companies. Initial applications were submitted on February 24, 1992 to Knapheide's insurance broker, The Lockton Insurance Agency, for National Union Fire Insurance Company of Pittsburgh and Environmental Compliance Services, Inc. After review, Knapheide will be contacted regarding the additional site-specific information required by each insurance company. Such review process is anticipated to take several more weeks. The time frame for assembling any required information is unknown at this time.

Knapheide is, meanwhile, proceeding diligently with the formulation of a closure plan, for review and approval by EPA and MDNR. It is Knapheide's belief that clean closure conditions will be found to already exist. Assuming agency approval of the clean closure concept, it is our understanding that EPA may not require financial assurance and liability coverage.

Knapheide's compliance with the above-referenced provisions of the Compliance Order does not constitute an admission by Knapheide of any of the specific factual allegations or legal conclusions contained in the Complaint. Further, Knapheide reserves the right to assert any and all defenses it may have to said allegations and to dispute the appropriateness of any other element of the Complaint.

Very truly yours,



Sandra L. Oberkfell

Enclosures

SLO:mc

cc(w/encl.): Mr. Bruce Martin  
Robert W. Richards, Esq.  
Mr. Harold Huggins